In the Specification:

Please amend the specification as shown:

Please delete paragraph [0026] on page 9, and replace it with the following paragraph:

[0026] In accordance with these and other objects, the invention provides an isolated or purified peptide comprising an amino acid sequence selected from the group consisting of:

(a) PRGPPGPPGKPGDDGEAGKPGKSGERGPPGPQGARGFPGTPGLPGVKGH RGYPGLDGAKGEAGAPGVKGESGSPGQNGSPGGPM (CB12) **(SEQ ID NO: 1)**;

(b) GPRGPPGPPGKPGDDGEAGKPGKSGERGPPG (CB12-I) **(SEQ ID NO: 2)**;

(c) ERGPPGPQGARGFPGTPGLPGVK (CB12-II) **(SEQ ID NO: 3)**;

(d) GLPGVKGHRGYPGLDGAKGEAGAPG (CB12-III) **(SEQ ID NO: 4)**;

(e) GEAGAPGVKGESGSPGQNGSPGPM (CB12-IV) **(SEQ ID NO: 5)**;

(f) GERGPPGPQGARGFP*GTP*GLP*GVK **(SEQ ID NO: 6)** wherein the * denotes sites of hydroxylation. (Pro6);

(g) GERGPP*GPQGARGFPGTP*GLP*GVK **(SEQ ID NO: 7)** wherein the * denotes sites of hydroxylation. (Pro15);

(h) GERGPP*GPQGARGFP*GTPGLP*GVK **(SEQ ID NO: 8)** wherein the * denotes sites of hydroxylation. (Pro18); and

(i) GERGPP*GPQGARGFP*GTP*GLPGVK **(SEQ ID NO: 9)** wherein the * denotes sites of hydroxylation. (Pro21) or a fragment or conservatively substituted variant thereof, wherein said peptide is effective in altering the rate of degradation of type II collagen or the rate of chondrocyte hypertrophy. In addition, the invention provides a peptide fragment consisting essentially of an amino acid sequence denoted as an overlapping peptide: GKSGERGPPG **(SEQ ID NO: 10)**.

Please delete paragraph [0039] on page 12, and replace it with the following paragraph:

[0039] Figure 1 is a table of one embodiment of the invention showing the amino acid sequences of peptide sub-fragments, CB12-1 **(SEQ ID NO: 15)**, CB12-II **(SEQ ID NO: 14)**, CB12-III **(SEQ ID NO: 16)** and CB12-IV **(SEQ ID NO: 17)**, of the type II collagen CB12 peptide **(SEQ ID NO: 18) as well as SEQ ID NOS 6-9)**. CB12 is most capable of enhancing type II collagen degradation. Peptides which contain hydroxylated proline are shown by the presence of the asterisk.